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USDA FAS FOR U/S BOST, JBUTLER, MCHAMBLISS, LREICH STATE FOR IO DAS MILLER, IO/EDA, OES/E, E, EB; AID FOR EGAT, DCHA/OFDA, DCHA/FFP PASS USTR AND PEACE CORPS

FROM THE U.S. MISSION TO THE UN AGENCIES IN ROME

TAGS: EAGR AORC ETRD EAID SENV FAO SUBJECT: 128TH SESSION OF THE FAO COUNCIL, JUNE 20-25, 2005

REF: (A) ROME 2082, (B) ROME 2083

- ¶1. Summarv: The 128th Session of the FAO Council, held in Rome June 20-25, made progress in a collegial and positive atmosphere on a variety of substantive and institutional
- -- Members generally endorsed the recent work of FAO's technical committees on World Food Security (CFS) Agriculture (COAG), Commodity Problems (CCP), Fisheries (COFI), and Forestry (COFO). FAO's contribution to the realization of the goals of the Millennium Declaration (MDGs) was widely discussed.
- -- In discussions of the Finance and Program committees reports, members laid down markers on FAO priorities for the 2006-07 biennium and the expected budget level. The latter ranged from a Real Growth (RG) scenario of +9.25 percent [proposed by most G-77 countries] to Zero Nominal Growth (ZNG) [USA, Australia] and below-ZNG [Japan].
- -- Representatives from each of the regional groups praised the work thus far of the Intersessional Working Group (ISWG) on the Independent External Evaluation (IEE) of FAO, and reaffirmed the decision to complete preparatory work before the next Council in November 2005.
- Two matters from the report of the Committee on Constitutional and Legal Matters (CCLM) -- concerning registered partnerships and a draft MOU between FAO and the World Intellectual Property Organization (WIPO) -- were sent back to the CCLM for further study.
- -- Among the side events were (1) a presentation by USDA U/S Eric Bost on the USG approach to promotion of good nutrition, (2) implementation of the International Treaty on Plant Genetic Resources for Food and Agriculture, and (3) a discussion on implementation of the Voluntary Guidelines on the Right to Adequate Food.

End summary.

Introduction

The 128th Council discussed a wide range of ongoing activities under the chairmanship of Aziz Mekouar (Morocco) including preliminary discussions of the Program of Work and Budget that will be finalized at the FAO Council and Conference in November 2005. The U.S. delegation consisted of: Ambassador Tony P. Hall, Head of Delegation (U.S. Mission); William Brant and Richard Hughes (USDA Foreign Agriculture Service); and J. Michael Cleverley and Willem Brakel (U.S. Mission). The U.S. chaired the Drafting Committee. The full Council report will be available at www.fao.org shortly; this cable highlights issues of particular interest to the USG.

The Opening and Keynote Addresses

13. Zambian President Levy Mwanawasa gave the opening address, highlighting the strides his country had made in the agricultural sector, and commending FAO on its work in Africa. In light of the recent G-8 announcement on debt relief for Africa, Mwanawasa commended western leaders on their efforts in support of Africa's development. Director General Jacques Diouf emphasized FAO's resource needs in his remarks. He reminded delegates that the 2004-05 budget represented a 6.4 percent cut in real terms, and highlighted efficiency savings realized in the past decade. He called on member governments to show leadership in charting FAO's future course in the international arena, and also in providing the means to achieve those goals.

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14. Ambassador Hall delivered a statement that laid out USG views on FAO's role in achieving the goals of the Millennium Declaration. He asserted that the most effective way UN organizations can contribute to this process is by focusing on areas in which they have a unique advantage. While recognizing that the time-bound, measurable indicators and targets of the Millennium Declaration provide a useful

framework to help address challenges, he cautioned that the MDGs do not represent the complete development agenda. He noted that FAO can contribute most effectively by focusing on its normative work, its response capacity and emergency assessments, its role as a neutral forum, and promotion of science and technology. Hall emphasized that FAO should play to its strengths, commenting that the planned Independent External Evaluation would help determine those precise areas of strength.

## Technical Committee Reports

15. Council members generally endorsed the work of the various technical committees. Special emphasis was given to FAO's contribution to achievement of objectives of the Millennium Declaration. The Secretariat provided additional information on the planned International Conference on Agrarian Reform that was first announced at CFS.

### Program and Finance Matters

- 16. Foreshadowing more detailed discussions to take place in November 2005, a number of delegations laid out their initial expectations regarding the FAO budget for the upcoming biennium. G-77 members generally reaffirmed their call for an RG scenario of +9.25 percent. The U.S. and Australia argued for ZNG, and Japan made the case for below-ZNG. Without citing a specific scenario, Switzerland opined that FAO should have "sufficient and adequate resources for carrying out its important mandate." The Nordics spoke vaguely of the match between resources and requirements. The EU remained silent on the overall budget question.
- 17. On other financial and program issues, the Council expressed concern over the high level of arrears and late payment of assessed contributions. It asked for further review of the After Service Medical Coverage Liability using the latest actuarial valuation and an anticipated UN-systemwide study of the issue. It endorsed several recommendations to streamline Program of Work and Budget (PWB) documentation and the overall budget process. The Council approved the concept of a Security Expenditure Facility. Members were divided on the Miscellaneous Income deduction, and will await more specific proposals on this point. Many called for better prioritization of programs and activities, without agreement on what those priorities should be.

# Independent External Evaluation

18. Ambassador Perri (Brazil), the ISWG Chairman, made an oral presentation of the ISWG progress report, highlighting the inclusiveness of the process. He appealed to members to begin mobilizing the funds needed to begin the evaluation. Representatives from each of the regional groups were invited to speak, and all spoke favorably of the positive, collaborative spirit of the ISWG. Refs A and B provide more detailed reports on IEE progress to date.

#### Matters Deferred

- ¶9. From consultations initiated by Independent Chairman Mekouar and the head of the regional groups before the plenary Council sessions, it was clear that two agenda items from the CCLM report were not ready for action by the Council:
- -- a recommendation that the Council adopt a policy regarding recognition of registered partnerships of employees for the purpose of entitlements; and
- -- a draft cooperation agreement between FAO and WIPO.

These items were referred back to CCLM for consideration at its next meeting in October.

Side Events and Special Events

 $\P 10$ . U.S. Dietary Guidelines: USDA U/S for Food, Nutrition and Consumer Services, Eric Bost, gave a presentation on the

new US Dietary Guidelines that provide science-based advice on food and physical activity choices for health. Bost's presentation highlighted the USDA's "MyPyramid" food guidance system. This well-attended event, which also featured a global overview of food-based dietary guidelines by the head of FAO's Food and Nutrition Division, stimulated lively discussion between presenters and audience.

- 111. Implementation of the International Treaty on Plant Genetic Resources: After a keynote address by a senior agriculture official from India, the Secretariat provided an update on the International Treaty. Seventy countries have ratified or otherwise indicated formal acceptance of the treaty. Reference was made to the U.S.-sponsored First Meeting of the Contact Group for the Drafting of the Standard Material Transfer Agreement in Tunisia, 18-22 July. Delegates were informed that the Global Crop Diversity Trust, which is part of the funding mechanism for the treaty, has received pledges in excess of \$56 million.
- 112. Implementation of Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food: DG Diouf commented that the release of the published version of Voluntary Guidelines marked the first time an intergovernmental organization had agreed on the right to food as government policy. Highlights of the event included a presentation on plans for the use of Germany's 5 million euro contribution to FAO for the first phase of long-term implementation of this right. The main objectives of this phase will be to build human capacity and develop methods and programs for implementation. The FAO Secretariat outlined its envisioned role in implementation of the Voluntary Guidelines.

## Comment

- 113. The 128th Council was noteworthy for its positive and cooperative atmosphere. This was due in part to Chairman Mekouar's deft handling of some potentially contentious issues, several of which were temporarily deferred or will resurface at the next session. But there was also a genuine improvement in the level of trust and cooperation among delegates, compared to previous Councils. We attribute this cooperative atmosphere to the close working relations established during the ISWG process.
- 114. The November Council (and the FAO Conference immediately thereafter) may prove more difficult. Among the issues to be resolved then will be (1) approval of the terms of reference and governance mechanisms for the IEE, (2) the selection of a new Independent Chair of the Council (thus far, the Netherlands and Iran have proposed candidates), and (3) the determination of the overall budget level for the next biennium.

Cleverley

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